

HOUSE BILL NO. 763

INTRODUCED BY B. MERCER, E. KERR-CARPENTER, M. BINKLEY, K. SEEKINS-CROWE, S. GALLOWAY,  
F. NAVE, M. YAKAWICH, T. MCGILLVRAY, R. LYNCH

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS ON STATE SETTLEMENT PROCEEDS;  
REQUIRING THAT SETTLEMENT PROCEEDS BE DEPOSITED INTO THE STATE GENERAL FUND;  
PROVIDING THAT DEFRAYING COSTS OF LITIGATION IS A DISCRETIONARY USE OF FUNDS;  
AMENDING SECTIONS 30-14-143 AND 30-14-226, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Settlement funds.** (1) A settlement agreement, whether or not received  
as a result of litigation, made on behalf of the state or its citizens by the department of justice or any other state  
agency must direct that settlement proceeds be deposited into the state general fund.

(2) The department of justice may not enter into a settlement agreement on behalf of the state or  
its citizens that provides for settlement proceeds to be deposited in an account other than the state general  
fund.

**Section 2.** Section 30-14-143, MCA, is amended to read:

**"30-14-143. Disposition of civil fines, settlement proceeds, amounts awarded in judgments,  
costs, and fees.** (1) (a) Except as provided in subsection (1)(c), all civil fines, settlement proceeds ~~not~~  
~~otherwise designated for a specific use pursuant to court order,~~ amounts awarded in judgments, costs, and fees  
received or recovered by the department pursuant to this part must be deposited into a state special revenue  
account to the credit of the department, ~~and~~ Balances in this account ~~must~~ may be used to defray the expenses  
of the department in discharging its administrative and regulatory powers and duties in relation to this part.

(b) At the end of each biennium, the balance in the state special revenue account may not exceed  
three times the amount of the budget appropriated to the department to discharge its powers and duties under  
this part for that biennium. Funds received before July 1, 2023, that are ~~otherwise~~ obligated to implement the

1 provisions of the settlement agreement are not considered part of the balance of the state special revenue  
 2 account. Any excess civil fines, settlement proceeds ~~not otherwise designated for a specific use pursuant to~~  
 3 ~~court order~~, amounts awarded in ~~judgment~~ judgments, costs, or fees recovered by the department pursuant to  
 4 this part must be transferred to the general fund no later than the first business day in January of the  
 5 subsequent biennium.

6 (c) All civil fines received or recovered by the department pursuant to 30-14-144 must be  
 7 deposited in the general fund.

8 (2) All civil fines, settlement proceeds, amounts awarded in judgments, costs, and fees received or  
 9 recovered by a county attorney pursuant to this part must be paid to the general fund of the county in which the  
 10 action was commenced."  
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12 **Section 3.** Section 30-14-226, MCA, is amended to read:

13 **"30-14-226. Disposition of civil fines, settlement proceeds, amounts awarded in judgments,**  
 14 **costs, and fees.** (1) All civil fines, settlement proceeds ~~not otherwise designated for a specific use pursuant to~~  
 15 ~~court order~~, amounts awarded in judgments, costs, and fees received or recovered by the department pursuant  
 16 to this part must be deposited into a state special revenue account to the credit of the department, ~~and~~  
 17 Balances in this account ~~must~~ may be used to defray the expenses of the department in discharging its  
 18 administrative and regulatory powers and duties in relation to this part.

19 (2) At the end of each biennium, the balance in the state special revenue account may not exceed  
 20 three times the amount of the budget appropriated to the department to discharge its powers and duties under  
 21 this part for that biennium. Funds received before July 1, 2023, that are otherwise obligated to implement the  
 22 provisions of the settlement agreement are not considered part of the balance of the state special revenue  
 23 account. Any excess civil fines, settlement proceeds ~~not otherwise designated for a specific use pursuant to~~  
 24 ~~court order~~, amounts awarded in ~~judgment~~ judgments, costs, or fees recovered by the department pursuant to  
 25 this part must be transferred to the general fund no later than the first business day in January of the  
 26 subsequent biennium."  
 27

28 NEW SECTION. **Section 4. Codification instruction.** [Section 1] is intended to be codified as an

1 integral part of Title 13, chapter 14, and the provisions of Title 13, chapter 14, apply to [section 1].

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3 NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2023.

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